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STATE OF UTAH
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DIVISION OF OIL, GAS, AND MINING
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December 30, 1980

Mr. William J. Head
Manager of Licensing
Plateau Resources Ltd.
772 Horizon Drive
Grand Junction, Colorado 81501

RE: Oljeto Mine
ACT/037/029
Section 36,
T. 43 S., R. 14 E.

Dear Mr. Head:

It is the Division's understanding that the above-noted mine is currently active. According to Rule M-8(a) under the Utah Act, the operator is required to give notice of commencement of mining operations within 30 days of such action. The Division considers Plateau to be in violation at this time. Please submit such notice to the Division immediately.

A second matter in need of attention is the bond which the Division of State Lands currently holds for mining on Section 36. The current bond has been posted by Kelmine Corporation. The company which rightfully holds the lease must post the bond.

The Division is further in need of clarification of information as to the leaseholding company, the operating company and the mining company for this mine. Please submit these clarifications.

A site visit will be made next week to assure mining in accordance with the plan. We await your rapid reply on these matters. If you have questions, please contact Mary Ann Wright of my staff.

Sincerely,

JAMES W. SMITH, JR.
COORDINATOR OF MINED
LAND DEVELOPMENT

JWS/MAW/btm